State of Arizona Senate Forty-seventh Legislature First Regular Session 2005

CHAPTER 326

SENATE BILL 1436

AN ACT

AMENDING SECTIONS 33-1437, 33-1452, 33-1454, 33-1476.01, 33-1476.02 AND 33-1476.04, ARIZONA REVISED STATUTES; RELATING TO THE ARIZONA MOBILE HOME PARKS RESIDENTIAL LANDLORD AND TENANT ACT.

(TEXT OF BILL BEGINS ON NEXT PAGE)



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Be it enacted by the Legislature of the State of Arizona: Section 1. Section 33-1437, Arizona Revised Statutes, is amended to read:

33-1437. Education requirements for park managers; complaint; administrative hearing; civil penalty

- A. Beginning on January 1, 2000, Within six months after employment as a park manager, a park manager shall complete at least six hours of educational programs and shall complete at least six additional hours of educational programs every two years.
- B. A park manager shall post proof of completion OF and compliance with the educational program requirements prescribed by this section in a conspicuous place at the mobile home park.
- C. A TENANT MAY FILE A COMPLAINT WITH THE DIRECTOR IF, ON REQUEST FROM THE TENANT, THE TENANT'S PARK MANAGER CANNOT PRODUCE PROOF OF COMPLETION OF THE REQUIREMENTS PRESCRIBED IN THIS SECTION. THE DIRECTOR SHALL ISSUE A SHOW CAUSE ORDER TO THE LANDLORD DIRECTING THE LANDLORD TO PROVIDE PROOF THAT THE REQUIREMENTS OF SUBSECTION A HAVE BEEN SATISFIED. IF THE LANDLORD FAILS TO PRODUCE SATISFACTORY EVIDENCE OF COMPLIANCE OR FAILS TO RESPOND WITHIN THIRTY DAYS AFTER SERVICE BY CERTIFIED MAIL OF THE SHOW CAUSE ORDER, THE DIRECTOR SHALL IMPOSE A FIVE HUNDRED DOLLAR CIVIL PENALTY, WITH AN ADDITIONAL FIVE HUNDRED DOLLAR PER MONTH CIVIL PENALTY TO ACCRUE EACH FULL CALENDAR MONTH BEGINNING WITH THE SECOND MONTH FOLLOWING SERVICE OF THE NOTICE OF IMPOSITION OF CIVIL PENALTY. ALL CIVIL PENALTIES SHALL BE EXONERATED IF, WITHIN SIX MONTHS AFTER SERVICE OF THE NOTICE OF IMPOSITION OF CIVIL PENALTY. THE LANDLORD FURNISHES SATISFACTORY EVIDENCE OF COMPLIANCE. OTHERWISE. THE MATTER SHALL BE REFERRED TO THE ATTORNEY GENERAL FOR ENFORCEMENT AND COLLECTION OF THE CIVIL PENALTIES AND A TEN PER CENT SURCHARGE ON THE TOTAL AMOUNT OF THE CIVIL PENALTIES COLLECTED. ALL CIVIL PENALTIES SHALL BE DEPOSITED IN THE STATE GENERAL FUND AND THE TEN PER CENT SURCHARGE SHALL BE DEPOSITED IN THE MOBILE HOME RELOCATION FUND.
 - Sec. 2. Section 33-1452, Arizona Revised Statutes, is amended to read: 33-1452. Rules and regulations
- A. A landlord shall adopt written rules or regulations, however described, concerning the tenant's use and occupancy of the premises. Such rules or regulations are enforceable against the tenant only if:
- 1. Their purpose is to promote the convenience, safety or welfare of the tenants on the premises, preserve the landlord's property from abusive use, preserve or upgrade the quality of the mobile home park or make a fair distribution of services and facilities held out for the tenants generally.
 - 2. They are reasonably related to the purpose for which adopted.
- $\gamma_{k}\gamma_{k}$ 3. They apply to all tenants on the premises in a fair manner.
- 4. They are sufficiently explicit in prohibition, direction or limitation of the tenant's conduct to fairly inform the tenant of what must or must not be done to comply.

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- 5. They are not for the purpose of evading the obligations of the landlord.
- 6. The prospective tenant has a copy of the current rules and regulations before $\frac{1}{100}$ THE PROSPECTIVE TENANT enters into the rental agreement.
- B. A new tenant who brings a mobile home into a mobile home park or who purchases an existing mobile home in a mobile home park shall comply with all current statements of policy and rules or regulations, including those pertaining to the size, condition and appearance of the mobile home, and exterior materials with which the mobile home has been constructed.
- C. A new tenant who purchases an existing mobile home in a mobile home park shall comply with all current statements of policy and rules and regulations, including those pertaining to the size, condition and appearance of the mobile home and exterior materials with which the mobile home has been constructed, except that the landlord shall not require the replacement of the siding and skirting on a mobile home unless the replacement siding and skirting will significantly change or improve the appearance of the mobile home.
- D. If any mobile home park owner adds, changes, deletes or amends any rule, notice in writing of all such additions, changes, deletions or amendments shall be furnished to all mobile home tenants thirty days before they become effective by first class or certified mail or by personal delivery. Any rule or condition of occupancy which is unfair and deceptive or which does not conform to the requirements of this chapter shall be unenforceable. A rule or regulation adopted after the tenant enters into the rental agreement is enforceable against the tenant only if it does not work a substantial modification of his THE rental agreement.
 - E. A person who owns or operates a mobile home park shall not:
- 1. Deny rental unless the mobile home does not meet the requirements of the rules and regulations of the landlord and the statements of policy prescribed pursuant to section 33-1436 or the park resident or prospective resident cannot conform to park rules and regulations.
- 2. Require any person as a precondition to renting, leasing or otherwise occupying a space for a mobile home in a mobile home park to pay an entrance or exit fee of any kind unless for services actually rendered or pursuant to a written agreement.
- 3. Deny any resident of a mobile home park the right to sell the resident's mobile home at a price of his THE RESIDENT'S own choosing during the term of the tenant's rental agreement, but the landlord may reserve the right to approve the purchaser of such mobile home as a tenant but such permission may not be unreasonably withheld, except that the landlord may require, notwithstanding paragraph 6 of this subsection, in order to preserve or upgrade the quality of his THE mobile home park, that any mobile home not in compliance with the landlord's current rules and regulations and statements of policy, in a rundown condition or in disrepair be removed from

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the park within sixty days. Within ten days of a written request by the seller or prospective purchaser, a landlord shall notify the seller and the prospective purchaser in writing of any reasons for withholding approval of a purchaser pursuant to this paragraph. THE NOTICE TO THE PROSPECTIVE PURCHASER SHALL IDENTIFY THE REASONS FOR DISAPPROVAL WITH REASONABLE SPECIFICITY. THE NOTICE TO THE SELLER SHALL IDENTIFY THE REASONS IN SUMMARY FASHION CONSISTENT WITH APPLICABLE FEDERAL AND STATE CONSUMER PROTECTION LAWS AND SHALL INFORM THE SELLER THAT THE SELLER SHOULD CONSULT WITH THE PROSPECTIVE PURCHASER FOR MORE SPECIFIC DETAILS.

- 4. Exact a commission or fee with respect to the price realized by the tenant selling the mobile home, unless the park owner or operator has acted as agent for the mobile home owner pursuant to a written agreement.
- 5. Require a tenant or prospective tenant to use any specific sales agency, manufacturer, retailer or broker.
- 6. Notwithstanding section 33-1436, subsection C, require an existing tenant to furnish permanent improvements which cannot be removed without damage thereto or to the mobile home space by a tenant at the expiration of the rental agreement. If the landlord includes any requirements for permanent improvements in the rules or statements of policy, these requirements shall not apply to any mobile home already existing in the mobile home park.
- 7. Prohibit a tenant from advertising the sale or exchange of the tenant's mobile home, including the display of a "for sale" or "open house" sign on the dwelling or in the window of the mobile home stating the name, address and telephone number of the owner or agent of the mobile home. The sign may be no larger than twelve inches wide and eighteen inches long. In addition to the display of a sign in the window, the tenants may display the signs on a central posting board in the park which is reasonably accessible to the public seven days a week during daylight hours.
- F. The landlord or manager of a mobile home park shall include, in rules and regulations, an emergency number to be called when the park is left unattended, regardless of the size of the park.
- G. The landlord shall not prohibit meetings of tenants with or without invited visiting speakers in the mobile home park relating to mobile home living and affairs in the park community or recreational hall if such meetings are held at reasonable hours and when the facility is not otherwise in use.
- H. Any improvements made by a tenant such as plants, vines, edgings, gravel, stone or other additions made for the benefit of the tenancy may be removed by the tenant, or by agreement of both parties the landlord may retain the improvements by paying the tenant for their actual cost.
- as tenant with the same rights, privileges and liabilities as if the surviving tenant were the original tenant, with the additional right to

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44 45 terminate the rental agreement by giving sixty days' written notice to the landlord within sixty days after the death of the tenant.

- J. If a tenant who was sole owner of the mobile home dies during the term of the rental agreement, the tenant's heirs or legal representative have the right to cancel the lease by giving thirty days' written notice to the landlord with the same rights, privileges and liabilities of the original tenant.
- This section does not prohibit a landlord from requiring removal of a mobile home from the mobile home park within sixty days after the sale by a tenant if the mobile home does not meet the current requirements of the rules and regulations and statements of policy, including those pertaining to the size, condition and appearance of the mobile home, and exterior materials with which the mobile home has been constructed.
- L. On the sale of a mobile home that was manufactured after June 15, 1976 to a tenant who is otherwise qualified for tenancy, a landlord shall not require removal of that mobile home from the mobile home park solely because of the age of the mobile home. A landlord may require the removal of a mobile home on the sale of the mobile home solely because of the age of the mobile home if the mobile home was manufactured on or before June 15, 1976. This subsection shall not be construed to preclude a landlord from prohibiting a mobile home from being moved into a mobile home park solely because of the age of the mobile home without regard to its date of manufacture.
 - Sec. 3. Section 33-1454, Arizona Revised Statutes, is amended to read: Tenant to occupy as a dwelling unit; authority to 33-1454.
- Unless otherwise agreed, the tenant shall occupy his THE TENANT'S mobile home only as a dwelling unit and may sublet, upon written agreement with the park management.
- IF A LANDLORD ADOPTS A POLICY OF PERMITTING SUBLEASING, LANDLORD SHALL NOT UNREASONABLY WITHHOLD APPROVAL OF SUBLEASES A LANDLORD MAY ADOPT A POLICY THAT PROHIBITS SUBLEASING, BUT THAT POLICY IS NOT EFFECTIVE AGAINST ANY SUBLEASING THAT HAD BEEN APPROVED BY THE LANDLORD AND THAT WAS IN EFFECT AT THE TIME THE SUBLEASING PROHIBITION WAS ADOPTED.
- C. THIS SECTION SHALL NOT BE CONSTRUED TO REQUIRE ANY LANDLORD TO PERMIT SUBLEASING OF SPACES.
- Sec. 4. Section 33-1476.01, Arizona Revised Statutes, is amended to read:
 - 33-1476.01. Change in use; notices; compensation for moving (A.S. 9. expenses; payments by the landlord
- A. The landlord shall notify the director and all tenants in writing of a change in use at least one hundred eighty days before the change in susees. The flandlord may not increase rent within ninety days before giving notice of a change in use.

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- B. The landlord shall inform all tenants in writing about the mobile home relocation fund established in section 33-1476.02.
- C. If a tenant is required to move due to a change in use or redevelopment of the mobile home park, the tenant may do either ANY of the following:
- 1. Collect payment from the mobile home relocation fund for the lesser of the actual moving expenses of relocating the mobile home to a new location that is within a fifty mile radius of the vacated mobile home park or five thousand dollars for a single section mobile home or ten thousand dollars for a multisection mobile home. Moving expenses include the cost of taking down, moving and setting up the mobile home in the new location.
- 2. Abandon the mobile home in the mobile home park and collect an amount equal to one-fourth of the maximum allowable moving expense for that mobile home from the mobile home relocation fund. To qualify for abandonment payment pursuant to this paragraph, the tenant shall deliver to the landlord the current title to the mobile home with the notarized endorsement of the owner of record together with complete releases of all liens that are shown on the title AND PROOF THAT ALL TAXES OWING ON THE MOBILE HOME HAVE BEEN PAID TO DATE. The tenant shall provide a copy of these documents to the department of building and fire safety in support of the tenant's application for payment. If the tenant chooses to abandon the mobile home pursuant to this paragraph, the landlord is exempt from making the payments to the fund prescribed in subsection D of this section.
- 3. IF A MOBILE HOME IS RELOCATED TO A LOCATION OUTSIDE OF THE VACATED MOBILE HOME PARK AND, IN THE SOLE JUDGMENT OF THE DIRECTOR, THE MOBILE HOME WAS GROUND SET IN THE MOBILE HOME PARK FROM WHICH IT WAS REMOVED, THE TENANT MAY COLLECT ADDITIONAL MONIES NOT TO EXCEED TWO THOUSAND FIVE HUNDRED DOLLARS FOR THE INCREMENTAL COSTS OF REMOVING A GROUND SET MOBILE HOME. THESE MONIES ARE IN ADDITION TO ANY MONIES PROVIDED PURSUANT TO PARAGRAPH 1 OF THIS SUBSECTION.
- D. Except as provided in subsection C, paragraph 2 and subsection F of this section AND SECTION 33-1476.04, SUBSECTION D, if there is a change in use the landlord shall pay five hundred dollars for each single section mobile home and eight hundred dollars for each multisection mobile home relocated to the fund for each tenant filing for relocation assistance with the director.
- E. If a change in use occurs before the time stated in the statements of policy and the landlord does not comply with subsection A of this section and with section 33-1436 and section 33-1476, subsection H, the landlord shall pay to the fund in addition to the monies prescribed in subsection D of this section:
- 1. Five hundred dollars for each mobile home space occupied by a single section mobile home.
- j y 25 Eight hundred dollars for each mobile home space occupied by a multisection mobile home.

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- F. The landlord is not required to make the payments prescribed in subsections D and E of this section for moving mobile homes owned by the landlord or for moving a mobile home under a contract with the tenant if the tenant does not file for relocation assistance with the director.
- G. If a change in use occurs within two hundred seventy days of relocations under section 33-1476.04, the landlord shall pay to the fund in addition to the monies prescribed in subsection D of this section:
- 1. Five hundred dollars for each mobile home space occupied by a single section mobile home.
- 2. Eight hundred dollars for each mobile home space occupied by a multisection mobile home.
- H. The tenant shall submit a contract for relocation of a mobile home for approval to the director within sixty days after the relocation to be eligible for payment of relocation expenses. The director must approve or disapprove the contract within fifteen days after receipt of the contract, or the contract is deemed to be approved. The payment of expenses shall be made as provided in the rules adopted by the director. If the contract is not approved, the tenant may appeal to the hearing officer.
- I. If this state or a political subdivision of this state exercises eminent domain and the mobile home park is sold or a sale is made to this state or a political subdivision of this state that intends to exercise eminent domain, the state or political subdivision is responsible for the relocation costs of the tenants.
- J. If a tenant is vacating the premises and has informed the landlord or manager before the change in use notice has been given, the tenant is not eligible for compensation under this section.
- K. A person who purchases a mobile home already situated in a park or moves a mobile home into a park in which a change in use notice has been given is not eligible for compensation under this section.
- L. This section does not apply to a change in use if the landlord moves a temant to another space in the mobile home park at the landlord's expense.
- Sec. 5. Section 33-1476.02, Arizona Revised Statutes, is amended to read:

33-1476.02. Mobile home relocation fund; investment of monies

- A. The mobile home relocation fund is established consisting of monies collected pursuant to section 33-1476.03 AND ANY SURCHARGE COLLECTED PURSUANT TO SECTION 33-1437. The department DIRECTOR shall administer the fund.
- B. Fund monies shall be used as prescribed in sections 33-1476.04 and 41-2157 and to pay premiums and other costs of purchasing, from a private insurer who is licensed to transact insurance business in this state, insurance coverage for tenant relocation costs due to a change in use as prescribed in section 33-1476.01. Any insurance rebates shall be deposited in the fund. If such insurance is not available, or if the insurance costs exceed the amount available from the fund, the fund shall be used to make

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direct payments for tenant relocation costs. Monies in the fund in excess of the amount required for these purposes shall be used, as necessary, to support the department's DEPARTMENT OF BUILDING AND FIRE SAFETY'S administration of the hearing function under title 41, chapter 16, article 5 AND THE DEPARTMENT OF BUILDING AND FIRE SAFETY'S ADMINISTRATION OF SECTION 33-1437, SUBSECTION C.

- C. On notice from the department DIRECTOR, the state treasurer shall invest and divest monies in the fund as provided by section 35-313, and monies earned from investment shall be credited to the fund. Any unexpended and unencumbered monies remaining in the fund at the end of the fiscal year do not revert to the state general fund but remain in the fund, separately accounted for, as a contingency reserve.
- D. The director may adopt, amend or repeal rules pursuant to title 41, chapter 6 for the administration of the fund. Fund monies shall be paid to the department of building and fire safety to offset the costs of administering the fund including the direct and indirect costs of processing applications for reimbursement submitted under section 41-2157 AND ADMINISTERING THE DIRECT AND INDIRECT COSTS 0F SECTION SUBSECTION C. The attorney general shall review the costs charged to the fund.
- Sec. 6. Section 33-1476.04, Arizona Revised Statutes, is amended to read:

33-1476.04. Relocations due to rent increase; mobile home relocation fund; applicability

- A. A tenant is eligible for payment from the mobile home relocation fund if all of the following conditions are met:
- 1. The tenant resides in a mobile home that is owned by the tenant and that is located in a mobile home park.
- 2. A rent increase will be effective at the expiration or renewal of the tenant's rental agreement.
- 3. The rent increase either singly or in combination during any consecutive twelve month period is more than a total of ten per cent plus the current increase in the consumer price index over the most recent one year period before the date of the notice of the rent increase. In FOR THE PURPOSES OF this paragraph, "consumer price index" means the "west-A" index that is published by the United States department of labor, bureau of labor statistics, and that demonstrates changes in prices in certain cities in the western United States.
- B. A landlord who increases rent as prescribed by subsection A of this section shall give written notice of the applicability of this section to all affected tenants.
- C. A tenant is eligible to receive relocation expenses pursuant to subsection A of this section as follows:
- 1... At least thirty days before the effective date of the rent increase that exceeds the limits prescribed by subsection A of this section, the

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tenant shall submit a contract for relocation of the mobile home to the director for approval and to the landlord.

- 2. Before the effective date of the rent increase, the tenant shall relocate the mobile home or have a fully signed contract with a licensed moving company to move the mobile home to a specific location by a specific date and must have moved the mobile home pursuant to that contract within forty-five days after the effective date of the rent increase.
- 3. The director shall approve or disapprove the contract submitted within fifteen days after receipt of the contract, and the contract is deemed to be approved on the sixteenth day if the director takes no action. The payment of relocation expenses shall be made at or before the time of relocation as provided in rules adopted by the director. If the contract is not approved, the tenant may appeal to an administrative law judge pursuant to title 41, chapter 16, article 5. The tenant shall provide notice pursuant to section 33-1451, subsection A, paragraph 6 if the tenant relocates.
- 4. On approval, the tenant is eligible for the lesser of the actual moving expenses of relocating the mobile home or five thousand dollars for a single section mobile home or ten thousand dollars for a multisection mobile home. Compensable moving expenses include the cost of taking down, moving and setting up the mobile home in the new location if the mobile home is relocated to a residential location within a one hundred mile radius of the vacated mobile home park.
- D. AS AN ALTERNATIVE TO RECEIVING PAYMENT AS PRESCRIBED IN SUBSECTION C OF THIS SECTION, A TENANT WHO IS ELIGIBLE TO RECEIVE PAYMENT PURSUANT TO SUBSECTION A OF THIS SECTION MAY ABANDON THE MOBILE HOME IN THE MOBILE HOME PARK AND COLLECT AN AMOUNT EQUAL TO ONE-FOURTH OF THE MAXIMUM ALLOWABLE MOVING EXPENSE FOR THAT MOBILE HOME FROM THE MOBILE HOME RELOCATION FUND. TO QUALIFY FOR AN ABANDONMENT PAYMENT PURSUANT TO THIS SUBSECTION, THE TENANT SHALL DELIVER TO THE LANDLORD THE CURRENT TITLE TO THE MOBILE HOME WITH THE NOTARIZED ENDORSEMENT OF THE OWNER OF RECORD TOGETHER WITH COMPLETE RELEASES OF ALL LIENS THAT ARE SHOWN ON THE TITLE AND PROOF THAT ALL TAXES OWING ON THE MOBILE HOME HAVE BEEN PAID TO DATE. THE TENANT SHALL PROVIDE A COPY OF THESE DOCUMENTS TO THE DEPARTMENT OF BUILDING AND FIRE SAFETY IN SUPPORT OF THE TENANT'S APPLICATION FOR PAYMENT. IF THE TENANT CHOOSES TO ABANDON THE MOBILE HOME PURSUANT TO THIS SUBSECTION, THE LANDLORD IS EXEMPT FROM MAKING THE PAYMENTS TO THE FUND PRESCRIBED IN SECTION 33-1476.01, SUBSECTION D.
- D. E. This section does not apply to rent increases that are prescribed in a written rental agreement.
- E. F. Nothing in this section shall be construed to make any rent increase unreasonable.

APPROVED BY THE GOVERNOR MAY 20, 2005.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 20, 2005.

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Passed the House April 18	B, 20 <u>05</u> ,	Passed the Sen	ate <i>711</i>	arch	8,20 <u>05</u> ,
by the following vote: 5	/ Ayes,	by the following	vote:	26	Ayes,
6Nays,3	Not Voting	2	Nays,	2	Not Voting
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S.B. 1436		this		day of	, 20,
		at		o'clock	M.
					

Secretary of Star

HOUSE FINAL PASSAGE as per Joint Conference	SENATE FINAL PASSAGE as per Joint Conference
Passed the House May 10, 2005,	Passed the Senate May 4, 2005,
by the following vote: 33 Ayes,	by the following vote: Ayes,
	Nays, 1 Not Voting
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Governor of Arizona	EXECUTIVE DEPARTMENT OF ARIZONA OFFICE OF SECRETARY OF STATE This Bill was received by the Secretary of State
	this 20 day of May , 2005,
S.B. 1436	at 3:03 o'clock P. M.
	Janice K. Brewer Secretary of State